

MEETING NOTES
ECONOMIC DEVELOPMENT COMMITTEE
March 10, 2015 -8:00 AM - 4th Floor – CR #2

Mayor: Jill Hardy, Chair; Mayor Pro Tem Jim Katapodis; Councilmember Dave Sullivan

Staff: Fred Wilson; Ken Domer, Kellee Fritzal, Teri Baker, Janeen Laudenback, Antonia Graham, Simone Slifman, Jill Arabe

Public: Kelly Miller, Jerry Wheeler

1. Public Comments - none

2. Minutes from January 12, 2015 and February 19, 2015 meetings –
Councilmember Sullivan moved, seconded by Mayor Hardy, to adopt the minutes.

3. Real Estate

Beach Promenade – Amendment to Purchase and Sale Agreement

Kellee Fritzal reported that the developer of Beach Promenade has requested an amendment to the schedule of payments currently in place for the purchase of the frontage road. The current agreement requires a payment of \$300,000 within 120 days of the certificate of completion of each of the three (3) buildings and an annual payment of \$53,500 of which \$50,000 is applied toward the principal outstanding balance. The developer would like to pay all of the outstanding balances owed to the City 90 days following the completion of 80% of the third buildings tenant improvements. Mayor Hardy inquired as to whether the amendment will slow the project, which Fritzal indicated it would not. Fred Wilson suggested that a completion date of December 31, 2015 be added to ensure that the project is completed as scheduled. Mayor Sullivan moved, seconded by Mayor Hardy and Mayor Pro Tem Katapodis, to accept the amendment.

Equinox Temporary Trailer

Kellee Fritzal reported that the City is working with DJM Partners and Equinox, a future tenant of Pacific City, to place a temporary trailer on the City-owned property at 1st and Walnut for the purposes of hiring and membership pre-sales. Equinox will landscape the site and add crushed gravel, and upon completing their temporary use, will also add wrought iron fencing to the site. Mayor Hardy suggested that a dollar value on the landscaping be determined in the event we should allow a future user on the site.

4. Economic/Business Development Report

RMDZ - Recycling Market Development Zone

Antonia Castro-Graham presented an overview of a Recycling Market Development Zone, including the description of a possible zone in OC that would include, and possibly be led by, Huntington Beach. The RMDZ would provide loans and assistance to

businesses looking to manufacture new products using recycled materials. It could assist existing businesses and also serve as a tool to attract new businesses to the City. Castro-Graham is working with several other cities in OC that are interested in participating as well, as the zone does not have to be contiguous.

Mayor Pro Tem Katapodis inquired as to the cost of implementing the zone and whether there is additional information that can help illustrate the types of products that have been successfully created under this program elsewhere. Castro-Graham indicated that once the implementation of the Zone is complete, the administration time is approximately 5 hours per month, which would be reimbursed to the lead City, and that she proposes HB taking on the lead role if the RMDZ should move forward. She will provide information on businesses that have been successful elsewhere through this program.

Councilmember Dave Sullivan expressed concern about pollution and development of specific types of potentially-polluting facilities that may be attracted to Huntington Beach in the event creating an RMDZ is successful. Ken Domer explained that creating an RMDZ will not change existing environmental regulations in the City, but that it would provide businesses an opportunity to expand their operations and create new and innovative products using cleaner processes and materials. Kellee Fritzal added that it would also have the added benefit of helping to attract the type of professional services that support these types of businesses.

Mayor Hardy requested clarity as to how an RMDZ would fit into the current composition of businesses in Huntington Beach. Castro-Graham added that one of the benefits, in addition to those described by Domer and Fritzal, would be that some businesses would have the opportunity to purchase their materials from local businesses, like Rainbow, in order to create their new products incentivized by the RMDZ.

Economic Development Strategic Plan – Implementation Program

Kellee Fritzal presented an outline of the proposed Business Roundtable. The Roundtable will target top sales tax/property tax/employers and strategic partners in roundtable discussions about what is important to their business. The input will help identify topics for future meetings, which are proposed to be held quarterly.

Councilmember Sullivan indicated this has been done previously and that Council would visit major businesses. Mayor Hardy indicated she would be willing to make personal business visits again.

Councilmember's asked Fred Wilson if it would be okay for the entire City Council to attend the meetings to observe. Mayor Hardy added that proper notice would be needed and that it would not be a Council discussion. Councilmember Sullivan requested staff seek input from the City Attorney as to whether the full Council may attend.

5. Housing Update

Consolidated Plan Update (CDBG/HOME)

Kellee Fritzel provided a brief update on the development of the Five Year Consolidated Plan, including the schedule and preliminary results of the citizen survey.

Adjournment to April 14, 2015; 8:00 a.m. Civic Center, 4th Floor CR #2